

**UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA**

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United States of America,

Case No. 24-cv-2944 (KMM/JFD)

Plaintiff,

v.

**ORDER**

Evergreen Recovery Inc.,  
Evergreen Mental Health Services Inc.,  
Ethos Recovery Clinic Inc.,  
Second Chances Recovery Housing Inc.,  
Second Chances Sober Living, Inc.,  
David Backus,  
Shawn Grygo, and  
Shantel Magadanz,

Defendants.

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On August 9, 2024, the Court entered a Preliminary Injunction in this matter. [ECF 44] Among other things, the Order froze assets belonging to numerous corporate entities and three individuals, and appointed a receiver. Defendants David Backus and Shawn Grygo, both proceeding pro se, have moved the Court to allow them to sell some specifically identified personal assets in order to pay living expenses. [ECF 56] The receiver and the government generally do not oppose this request. [ECF 57, 58] The Court grants the request in part and allows the sale of certain personal assets as follows:

- 1) Ms. Grygo and Mr. Backus must provide the receiver and the government with a complete description of each asset (including make, model, year, and any other identifying information) they wish to sell, and must prove that the asset is owned by either Ms. Grygo or Mr. Backus.
- 2) Any sale must be for fair market value. The Court will not prohibit Ms. Grygo or Mr. Backus from selling to a person that they know, but the sale must be approved by the receiver as reasonable.

- 3) Documents regarding the sales, including receipts and proof of payment, must be disclosed to the receiver and to counsel for the government within five days after the sale.
- 4) Ms. Grygo and Mr. Backus may retain the value of the assets, not to exceed the total of \$32,500, which represents \$6,500 per month for the months of August through December. Any excess funds beyond that amount are subject to deposit with the receiver, at the receiver's discretion.

If any party or the receiver wishes to modify this Order, they must first meet and confer, and then contact the Court to schedule a telephonic status conference.

Date: October 3, 2024

*s/Katherine Menendez*

Katherine Menendez  
United States District Judge